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The *Today* programme and the banking crisis

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Abstract

This research examines how BBC Radio 4's *Today* programme reported on the 2008 banking crisis. Six weeks of coverage were analysed in order to identify patterns of source access and how these impacted on the range of debate offered to listeners. Results indicated that City sources dominated coverage, particularly during the two-week period around the British bank rescue plan. The consequence of this was that listeners were offered a prescribed range of debate on the UK government's bank rescue plan and possible reforms to the financial sector. The research raises key questions regarding impartiality and balance in public service broadcasting.

Keywords

financial crisis, media–source relations, public service broadcasting, elites

Introduction

According to Sir John Gieve, Deputy Governor of the Bank of England (2006–9), the British banking system came within hours of collapse prior to the implementation of a government bailout on 13 October 2008 (*Banking Times*, 23 December 2008). The key problem was that a number of the UK's largest banks were insolvent and needed immediate injections of taxpayers' money.[1] The crisis triggered Britain's longest recession and represents a pivotal moment in British economic history. This study examines how BBC Radio 4's flagship news and current affairs programme, the *Today* programme, covered the crisis. Its purpose is to analyse patterns of source access and the impact that these had on the range of debate that was available to listeners. A key focus of this research is the reporting of Labour's controversial bank rescue package and the options for financial sector reform that were offered to the public. However, first this article will review previous research on the reporting of economic and financial news.

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The literature on financial/economic journalism

Much research on the current financial crisis has been focused around the question of why almost all financial journalists failed to warn of the impending crash (e.g. Fahy et al., 2010; Schechter, 2009; Tambini, 2010). These studies explained the failure by reprising various production processes consistently highlighted in other studies and theoretical models of how the news media operate (e.g. Glasgow Media Group, 1976, 1980, 1982; Herman and Chomsky, 1988; Philo and Berry, 2004, 2011). These include the role of elite sourcing, financial constraints, political pressure, advertising, deficiencies in journalistic training and resources and the impact of public relations. For instance, Fahy et al.'s (2010) study of the role of Irish journalists in the country's banking crisis pointed to the key role of elite financial sector sourcing:

> They [journalists] viewed them [bankers and property developers] as friends and allies and essentially became advocates for them. Their approach was justified editorially because many developers and bankers limited access to such an extent that it became seen to be better to write soft stories about them than to lose access. Extremely soft stories would be run to gain access too. (2010: 13)

Research on financial journalism prior to the 2008 crisis has also highlighted the dominance of elite financial sources. Davis's (2000) study of how the financial press covered the hostile takeover of Forte by Granada in 1995–6 found that only 2.8 per cent of citations came from non-financial elite sources. The result of this imbalance was that the takeover was largely framed around the consequences for large institutional shareholders whilst the negative consequences of the deal for Forte's employees, customers and the taxpayer were absent. Davis argues that financial news operates within a 'closed elite discourse network' in which the 'corporate sector combining PR with its advertising and news source advantages has "captured" business and financial news' (2000: 286). The issue of whether financial journalism is inherently pro-free market is also addressed in Doyle's (2006) study of journalists working in the specialist financial press and business pages of the national press. This research found that whilst there may be some scope for criticism of business in areas such as corporate governance, consumer protection and environmental issues, structural constraints make it difficult for journalists to offer systemic critiques of the way the stock market or economy, as a whole, functions.

The restricted range of opinion in financial journalism has also been highlighted in content studies. Durham's (2007) analysis of the *Financial Times*' reporting of the 1997 Asian financial crisis found that elite financial sources dominated coverage and that the issue was framed primarily around the concerns of institutional investors whilst the concerns of the Thai government and its people were largely absent. In a similar vein, Kantola's (2006) analysis of the *Financial Times*' coverage of 32 national elections between 2000 and 2005 found that the paper consistently backed parties which supported free market policies such as privatisation of state assets, tax cuts and shrinking the size of the state.

Research on television news has reported similar findings. The Glasgow Media Group (1976, 1980, 1982) examined the reporting of debates surrounding the problems of the British economy, which in the 1970s was widely seen to be falling behind its international

competitors. The trade unions pointed to poor organisation in management and low levels of investment in plant and machinery while right-wing commentators, including the Conservative Party, blamed unions and strike action. The research found that the explanation that strikes were the key problem was routinely featured in broadcast news headlines while explanations focusing on management failings and low investment levels were largely absent. Key reasons for the dominance of certain perspectives, they argued, were assumptions about hierarchies of access and who is seen as a credible source. In practice this means that those people deemed 'important', such as senior civil servants or government ministers, were the people journalists routinely turned to when they wanted to know something about the economy. In responding to this charge, Richard Francis, the Director of News and Current Affairs at the BBC, only confirmed its validity:

> … the BBC's journalists do indeed find it natural to ask an 'important person' – a senior civil servant or government minister, for instance – for they are the people whose decisions largely determine how things will be run in our democracy. (*New Statesman*, 20 April 1979, cited in Glasgow Media Group, 1982: 138)

Later research which examined the reporting of the British economy during the late 1980s (Philo, 1995) provided a preview of the 2008 crash. During this period broadcast news heavily featured and sometimes endorsed the perspective of City sources who were extolling the 'strength' and 'buoyancy' of the UK economy, which appeared to be growing strongly. An alternative perspective, which was largely absent, stressed that much of the growth was due to a credit boom and that this masked major structural weaknesses in the economy (notably the decline of British manufacturing in the 1980s). This view pointed out that the credit boom was drawing in record quantities of imports and threatening a balance of payments crisis. This crisis duly arrived in mid-1988 and the government was forced to repeatedly raise interest rates to protect the pound. The result was that the economy moved into its second recession in a decade.

More recently, Tracy (2012) examined how major US broadcasters and newspapers explained the reasons behind the Greek financial crisis. Tracy found that the US media framed the crisis in terms of the alleged flaws of Greece and the Greek people. Alternative accounts – which pointed to issues such as the role of Goldman Sachs in hiding the size of Greece's public debts prior to entry into the Eurozone, or the role of credit rating agencies and short selling in exacerbating the crisis – were largely absent. Reflecting much of the research in the field, Tracy pointed to the key role of sourcing in framing news agendas.

Tambini (2010) takes a step back to explore the role financial journalists should fulfil in democratic societies. The classical concept of journalism sees the profession as having a key watchdog function in scrutinising and holding to account state or corporate power (e.g. Keane, 1991). Interviews with financial journalists, however, suggest journalists held a 'range of opinions about their ethical responsibilities and broader governance role' and that only a minority of journalists saw their work as having 'broader public responsibilities' (2010: 172). While some journalists did see themselves as having a watchdog role, this was only in terms of reporting on corporate failings, wrongdoing or scandal, rather than appealing to a broader public interest through educating the general public about the functioning of finance, or warning about systemic risks to the wider economy.

One area of the media that sees itself as operating squarely within this framework is public service broadcasting. The BBC's Director General Mark Thompson has argued that the Corporation should be 'unflinching in holding power to account' (BBC, 2011a). This research assesses to what degree the BBC fulfils this role in its coverage of the banking crisis. It will also assess whether the Corporation fulfils other key objectives such as 'reflecting all significant strands of opinion' and the avoidance of editorialising (BBC, 2007: 6). Since the issue of elite sourcing has been identified as highly significant in all studies in this area, patterns of source access will be a central focus of this research.

Sample and methods

The sample consists of six weeks of coverage of the banking crisis on BBC Radio 4's flagship news and current affairs show, the *Today* programme. The sample begins on 15 September 2008, the day Lehman Brothers went bankrupt, and ends on 31 October 2008, three weeks after the conclusion of the British banking rescue. There are three reasons for selecting the *Today* programme. Firstly, it attracts an audience of approximately seven million listeners per day making it the most popular news programme in broadcasting (BBC, 2011b). Secondly, its audience has a heavy concentration of professionals and opinion formers, and, thirdly, it is widely seen as significant in setting news and political agendas in other parts of the media. In 2005, MPs voted it the most influential programme in broadcasting (BBC, 2005).

The audio broadcasts were downloaded from the BBC website and only segments which covered the banking crisis and issues connected to the crisis were selected. These were then subject to a series of analyses.

1. The entire six weeks of broadcasts were subject to a source analysis to ascertain the prominence and absence of different classes of sources. Anyone who was interviewed or had a statement featured was coded.
2. The two-week period (6 October 2008 – 17 October 2008) around the British banking bailout was subject to a second source analysis. In this analysis only weekdays were included. On weekdays the *Today* programme reaches a much wider audience and has a greater power to set agendas in other parts of the media. On this occasion only sources commenting a) directly on the British banking crisis and b) in extended interview situations were coded. This analysis did not include brief vox pops or single statements from individuals. The purpose of this analysis was to identify the main voices used to comment on the banking bailout in extended interview situations. This grants the interviewee a certain level of status and prestige and it also allows the speaker to develop and rebut arguments over many 'turns'.
3. This two-week period was also subject to a thematic analysis. This is a method which has been used by the Glasgow Media Group in areas such as industrial news, food scares and risk (Philo, 1999), international development (Philo, 1999) and war or conflict reporting (Glasgow Media Group, 1985; Philo and Berry, 2004, 2011). The method is based on the assumption that in any contested area there will be competing ways of explaining events or issues. These explanations

are linked to particular interests which seek to explain the world in ways that justify their own position. The purpose of a thematic analysis is to map which explanations are featured in news accounts and which are absent. In this research the central focus was on two issues – the range of debate around the British government's bank bailout package and reforms of the financial sector.

Results

Patterns of source access

During the six-week study period, the *Today* programme featured a total of 233 source appearances. These sources were granted varying levels of time to express their views. The analysis presented in Figure 1 doesn't differentiate but instead presents a broad picture of the relative prominence of different source categories. Coding here was not always straightforward since many individuals could be categorised in different groups. For instance, Adair Turner has been an investment banker, Director General of the CBI, an academic economist who lecturers part time at the LSE and a regulator at the Financial Services Authority (FSA). In order to maintain consistency, sources were categorised by their most prominent or long-term group affiliation. Since many of the individuals classified in Figure 1 as politicians, regulators, academics and business representatives also have close links with the City and broader financial services community, the prominence of 'City voices' is very conservatively estimated. As can be seen from Figure 1, representatives from the financial services community are the largest group of sources accessed (35.1% of all source appearances) followed by politicians (32%). Since the main three British political parties during this period were all committed to free markets and 'light touch' regulation, there is a narrowness in the range of opinion available to listeners. This is magnified by the presence of other groups such as business lobbyists, neoclassical economists and journalists from the financial press who all tend to share a

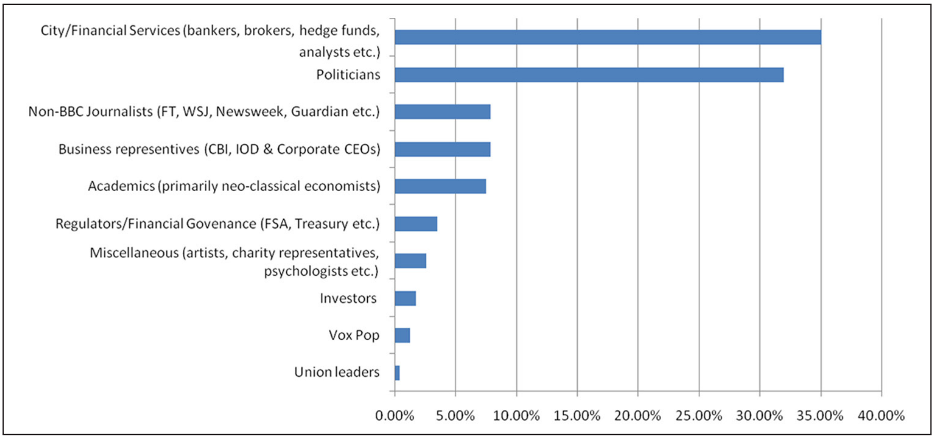

Figure 1. All sources 15 September 2008 to 31 October 2008
Note: Total $N = 233$.

similar laissez-faire outlook on how the economy should be managed. Organised labour is almost completely absent from the *Today* programme with only a single appearance from one union leader (0.4%).

One of the most notable aspects of the financial crash was the fact that relatively few economists, bankers or politicians raised the alarm about the dangers building up in the global banking system. Alan Greenspan, the influential former Chairman of the US Federal Reserve, argued that 'Everybody missed it – academia, the Federal Reserve, all regulators' (*New York Times*, 25 June 2010). While this observation reflects the public domain in the media mainstream, a number of economists, journalists and commentators had been warning of the dangers for years prior to the crash. Bezemer (2009) identified 12 analysts who had made clear and repeated warnings in the years leading up to the crash, 10 of whom were still alive when the crash occurred. Of the 10 surviving analysts only the US economist Dean Baker was featured on the *Today* programme. Other analysts who could be added to this list include Gillian Tett (two appearances), Larry Elliot (one appearance), and Ann Pettifor (no appearances). Despite the absence of those who had predicted the crisis, BBC journalists themselves explicitly linked authority with the ability to have foreseen the crisis.

> Journalist: The IMF speaks with renewed authority because it came closer to predicting this financial crisis than any other body. (BBC *Today* programme, 10 October 2008)

Figure 2 presents data on the range of interview-based sources who were consulted by the *Today* programme during the two-week period around the British banking bailout. These were the experts who were given extended periods to discuss the core issues around the banking bailouts and what might be done to reform the sector. City voices dominated core coverage of the bank nationalisations, accounting for 27 of the 38 interviews. There were five interviews involving politicians – two each for the Chancellor and shadow Chancellor and one for the leader of the Liberal Democrats, Nick Clegg. Four academics were interviewed, two economists with close links to the banking/regulatory system (Charles Goodhart and Richard Portes), the Neo-Conservative, Francis

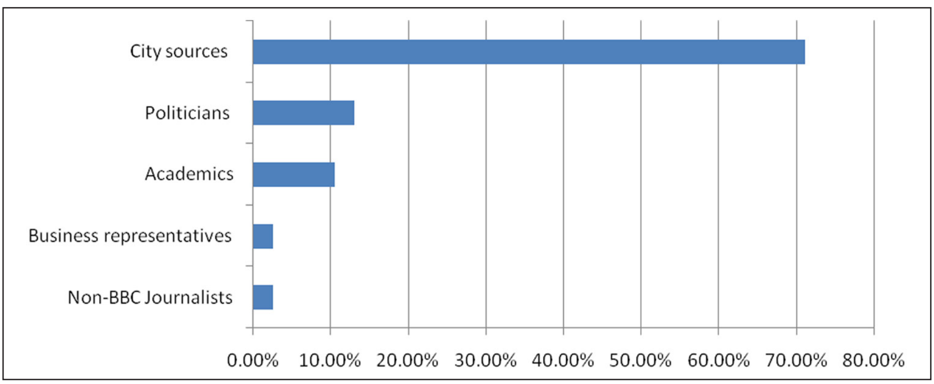

Figure 2. Sources commenting during bank bailout fortnight
Note: Total *N* = 38.

Fukayama, and Bill Clinton's former Labour Secretary Robert Reich. The final two interviewees were the *Financial Times*' Gillian Tett and Digby Jones, the former Director General of the CBI. As can be seen, domination by City voices is even more pronounced during this period and there is little space given to commentators who are outside the financial services sector.

Thematic analysis: Bailout or nationalisation?

This section examines the debate around the British bank rescue plan which was announced on 8 October 2008. The British government's response to the systemic insolvency of the UK banking sector was to provide £37 billion in capital in exchange for ordinary and preference shares in several banks on top of an extra £200 billion of loans and £250 billion of loan guarantees extended to the sector. The stated aim was to stabilise the banking system and keep credit flowing to the rest of the economy. In Table 1, data is presented on who commented on the bank bailout and whether overall they were supportive or critical of the intervention.

Table 1. Comment on the UK bank bailout

Source	Source category	Supportive/ Critical/Mixed	Comments
Sir George Cox	City	Supportive	'Good', 'Decisive', 'Bold move', 'should help to shore up confidence in banks', 'they are taking a stake in businesses which fundamentally are good businesses and at a very low price one should imagine and in the long term this could be quite a good move from the taxpayer's point of view in terms of getting a good return on it'
Terry Smith	City	Supportive	'Should stop run on banks'
Hugh Osmond	City	Supportive	'Bold plan', 'Good plan', Government right 'to fix the banks first'. Says government can expect to make return on investment
Ian Morley	City	Supportive	Banking crisis 'is essentially dealt with', 'line drawn in sand as of Monday [bailout]'
Howard Davies	City	Supportive	'Bold package' that 'ought to work but for it to work will require a rethink by those in the markets'. 'Government has done pretty much all it can'
John Moulton	City	Mixed	'A very interesting and probably positive step by the government', 'amount of money that we are going to have to pull in from the taxpayer, from borrowing overseas is vast and that … will make a recession deeper and it will make it longer', 'Really not fair on the taxpayer' who 'deserves a big return for the enormous risks they're taking'
Angela Knight	City	Supportive	Expect the bailout measures 'to have a major impact, very substantial'

(Continued)

Table 1. (Continued)

Source	Source category	Supportive/ Critical/Mixed	Comments
Norman Lamont	Politician	Supportive	'Bold package', 'Will buy time' for banks to clear up balance sheets.
Jim O'Neill	City	Supportive	'Substantial package', 'Quite comprehensive'
Neil Mackinnon	City	Supportive	'A very good package and a very timely package', 'the Prime Minister and the Chancellor are to be applauded for putting together this plan at very short notice and given the very severe crisis that we've faced across all markets'
Liam Halligan	City	Critical	'Will do nothing to unthaw the interbank market. That will only happen when banks are forced by law if necessary to fess up the subprime losses. That's still hasn't happened, nothing the government has said will make that happen.' Increased money creation and borrowing for banks is 'pure inflation injected into the system'
Tim Congdon	City	Supportive	'A good package that was needed'
George Magnus	City	Supportive	The plan is 'to be welcomed'
Paul Killick	City	Supportive	'Authorities need to be congratulated'
Patrick Minford	Free market economist	Supportive	'Well thought out', 'A good plan and has a good chance of getting the credit markets going again'
John Redwood	Politician	Critical	'Offering too much money upfront to three banks from the taxpayer is a bad idea. I don't think it's putting enough discipline on those banks to do what they need to do for themselves. It's also undermining confidence in them and it's something the taxpayer can't afford'
George Osborne	Politician	Mixed	'We supported the proposal to rescue the banks as a necessary last resort' but also suggests there needs to be more regulation, more balanced economy

City voices were dominant and overwhelmingly supportive of the bailout. There was little critical commentary from City sources and no source put forward an alternative plan to the bailout. However, other options were available to the government. One alternative was to either temporarily or permanently nationalise the part of the banking system that was insolvent. Temporary nationalisation of the banking system was the approach that Sweden took in the early 1990s when it faced a systemic solvency crisis in its banking sector following financial deregulation and the collapse of subsequent asset price bubbles. This approach would involve substantial losses to share and bond holders

but would avoid the situation of 'zombie'[2] banks that the Japanese found themselves in during the 1990s following the collapse of an unprecedented property bubble. The *Financial Times* commentator Willem Buiter (2009) argued that, without full nationalisation, banks given government capital injections would seek to 'hoard liquidity' leading to sharp falls in lending to the wider economy. This, he suggested, was because banks' overriding prerogative would be to rebuild their balance sheets and speedily pay back public money in order 'to get the government out of its hair'. The *Daily Telegraph* reported that the US economist Joseph Stiglitz also saw temporary nationalisation as being a possible option:[3]

> Professor Stiglitz, the former chair of the White House Council of Economic Advisers, told *The Daily Telegraph* that Britain should let the banks default on their vast foreign operations and start afresh with new set of healthy banks. 'The UK has been hit hard because the banks took on enormously large liabilities in foreign currencies. Should the British taxpayers have to lower their standard of living for 20 years to pay off mistakes that benefited a small elite?' he said. 'There is an argument for letting the banks go bust. It may cause turmoil but it will be a cheaper way to deal with this in the end. The British Parliament never offered a blanket guarantee for all liabilities and derivative positions of these banks,' he said. Mr Stiglitz said the Government should underwrite all deposits to protect the UK's domestic credit system and safeguard money markets that lubricate lending. It should use the skeletons of the old banks to build a healthier structure. (*Daily Telegraph*, 2 February 2009)

The case for nationalisation didn't appear in our two-week sample. While nationalisation was mentioned three times during this period, it was quickly dismissed:

> Howard Davies (Former Chairman of FSA and non-executive Director of Morgan Stanley): I have to say that I don't think that full nationalisation should be necessary or indeed would be ideal because once you fully nationalise a bank, you take it out of the market, you take it out of its pressure to be competitive I think you will then find it very hard to sell. But taking a 10% stake a 20% stake in a bank as a signal to the market that the Government stands behind it may well mean that you could get out of that stake when markets return to normal as we hope they must do one day. So I think that rather than full nationalisation is a better option. (*Today* programme, 7 October 2008)

> Norman Lamont (Former Chancellor of the Exchequer and director of Hedge Fund RAB Capital): I think we should have regulation but not over-regulation. What we don't want and I wouldn't have wanted would have been for the government to run the banks that would have been a terrible error. But I think there are a lot of things like remuneration structures that need to be looked at. (*Today* programme, 8 October 2008)

> Journalist: George Cox, do you think there would have been a case for going even further and just saying look banks failed you are dependent on huge amounts of liquidity support from the taxpayer you are dependent on huge amounts of implicit government guarantees and if those weren't lurking around in the background there would clearly be a run. We will withdraw all support unless you want to walk into our arms and we will take you over completely?

> George Cox (Former non-executive director of Bradford and Bingley): No that would have been the wrong move. That would have been a huge mouthful for the government to bite off. It's already bitten off a big mouthful as I said earlier and I think to have taken over the whole

> lot would have been unnecessary. I mean you are then taking full responsibility for recovery. Now as it is much of it lies with the banks themselves and I am sure that's right. (*Today* programme, 13 October 2008)

These extracts show that journalists were aware that nationalisation was an alternative to the UK bank bailout. This can also be seen in the following exchange:

> Journalist 1: Do you think this was as good a deal as the taxpayer could have got?
> Journalist 2: Well as good a deal as the taxpayer could have got would have been to simply expropriate the assets and to have taken the whole thing you know for nothing and, *I guess*, there could have been an analysis done that these were basically businesses that weren't viable without huge government support and in particular these guarantees for interbank lending. You know, *I guess*, there would have been a route for them to do that. I think the government in the end just took the view that full scale nationalisation of that sort would have done such damage to confidence in the British banking system that it was a step too far which is why they decided to maintain them as going concerns. (*Today* programme, 13 October 2008, my italics)

There is, however, a reluctance to admit that nationalisation was a serious alternative to the bailout. The journalist indicated that that the government has concluded that it would be a 'step too far' then the option isn't explored further. This can also be seen in the way in which journalists address questions to key politicians. During an interview, Alastair Darling is robustly questioned by a journalist who repeatedly raised the problem that under the terms of the bailout the government can't actually compel the banks to lend to each other or to the wider economy:

> Journalist: Yes but what the taxpayer is being told this morning is that these vast amounts of money are buying, we hope, confidence but not influence. We cannot force the banks to do anything.
> Alastair Darling: Well if we put money into the system then yes we can.
> Journalist: What buying these preference shares?
> Alastair Darling: Yes hold on.
> Journalist: But these are not even voting shares?
> Alastair Darling: Hold on. In return for doing this we want to ensure that we reach an agreement with those individual companies in relation to amongst other things a commitment to extend support to small businesses and homebuyers.
> Journalist: So you haven't got that undertaking yet?
> Alastair Darling: Well I've just announced the scheme today so the next stage is to enter into agreements with the banks.
> Journalist: So it's conditional upon that agreement is it? In other words you could come back here next week and say the scheme's off because they wouldn't give us these promises? (*Today* programme, 8 October 2008)

This inability to actually compel the bank to provide credit to the wider economy without taking them under direct state control was one of the key arguments put forward in favour of nationalisation. During the credit crunch states such as the UK and US, which had AAA credit scores from the rating agencies, were unlike most banks, able to borrow large sums at very low rates of interest. As Joseph Stigltz put it: 'The US government can borrow at 1pc so why can't it lend directly to poor people for mortgages at 4pc?' (*Daily Telegraph*, 2 February 2009). However, during interviews the option of nationalisation was not put to the Chancellor. It was outside the terms of debate.

There were also occasions when journalists went further and directly endorsed free market views on the bailout and nationalisation. The tendency for financial journalists to endorse free market perspectives was noted by Doyle (2006) in her interviews with journalists, though it was clear that some reporters were reflexive enough to realise that this was not something that they should be doing. But during the reporting of the crisis there were occasions when reporters did this:

> What we are into now is *I'm afraid* state controlled banking of the sort we didn't think we'd see since Margaret Thatcher was elected in 1979. I mean I think one of the things that's been announced today that's not been given enough play is these banks are being forced to lend to homeowners and small businesses. I mean that is the sort of thing we saw you know in Eastern Europe [laughs]. We have not seen control of credit like that for decades. (*Today* programme, 13 October 2008, my italics)

On his official BBC blog one journalist commented on the 'paradox' of the bailouts in that the need for the banks to speedily pay back the vast sums of public money they have been lent means that they are limited in their ability to extend credit to the wider economy. However, the journalist argued:

> … if we don't demand our money back, we'd be formalising that there's been a semi-permanent nationalisation of the entire banking system. And that would massively encroach on the ability of our banks to operate as independent commercial entities. There would be massive political pressure on them to become quasi-social utilities, providing loans at the behest of ministers and officials rather than on the basis of commercial criteria. So here's what may turn out to be the choice: less lending for years or public ownership of the banks for the foreseeable future. It's not an easy choice, is it? (Peston, 2008)

In another segment during a discussion of the American bailouts a journalist commented:

> Henry Paulson has come out now and is telling them how to spend it [the bailout funds]. So he's come out and said you can't hoard this money you have to start lending immediately. So that's where this thing about government and politicians comes in. How much *meddling* are they [politicians] going to do? (*Today* programme, 15 October 2008, my italics)

In this segment the journalist described the politicians as 'meddling' in the operations of the banks. 'Meddling' is widely seen to refer to a situation in which someone is intervening in an unjustified or illegitimate manner in someone else's business. The BBC is under

mandate not to take positions on questions of political or economic controversy but on some occasions this happens.[4]

The assumption built into some reporting and the position taken by all sources interviewed during the crisis was that nationalisation would be bad for banking and bad for the wider economy. However, this position is contested. In terms of financial stability, the three banks rated as safest on the planet – KFW (Germany), Caisse des Depots et Consignations (France) and Bank Nederlandse Gemeenten (Netherlands) – are all either wholly or partially state owned (*Global Finance Magazine*, 2011). The notion that state-owned banks are detrimental to the wider economy is also contested. For instance, Andrianova et al.'s (2009) study of a large number of countries between 1995 and 2007 found that a large state presence in banking was actually associated with higher rates of economic growth:[5]

> When it comes to banks that are in the public sector, democratic accountability of politicians is more likely to discourage them from engaging in speculation. In such banks, top managers are more likely to be compelled to focus on the more mundane job of financing real businesses and economic growth. (Andrianova et al., 2010)

The purpose of this analysis is not to argue for one model of banking over another. There are arguments for and against extensive state involvement in banking. However, what is clear is that listeners were offered a very limited range of debate in which the case for either short- or long-term state ownership is missing.

Reforms to the banking/financial system

The scale and repercussions of the banking crash led to demands for major reforms to prevent another crisis. Overall there was relatively little space given over to ideas for reform. Approximately 3 percent of coverage (five minutes and seven seconds out of a total of five hours, 28 minutes and four seconds of total coverage) was given over to discussion of reforms. Table 2 quantifies the lines of news text that were given over to arguments for and against particular proposals. This included assessments of changes that were likely to happen and explicit calls for the sector to change (or not change) in certain ways.

The most discussed reform involved setting up a new international Bretton Woods' style financial architecture with an enlarged role for the International Monetary Fund (IMF) as a surveillance body and international 'policeman'. Significant space was also given over to discussion of restricting bankers' bonuses because they were seen to fuel risk taking. The heavy concentration of financial sector sources meant that arguments stressing the dangers of 'over-regulation' and calls for the retention of bankers were also featured. Structural reforms such as splitting retail and investment banking or the need for stronger pro-competition regulation received little attention.

However, reliance on such a narrow selection of financial sources excludes a broad range of opinion from outside this sector which has been advocating more far-reaching reforms. These include: the banning of complex financial instruments (e.g. Eichengreen, 2008; Stiglitz, 2008); the closure of tax havens where some of the riskiest trading

Table 2. Reforms or changes to the banking sector

Reform/Change	Lines of news text
New international rules/Financial architecture	43½
Restrict/reform bonuses	37½
'More', 'proper', 'sensible' regulation of banks	11½
Don't sack bankers; they have the knowledge and experience to prevent a reoccurrence	9½
Sack bankers who caused crisis	9
Don't 'over-regulate', don't 'kick bankers'	9
Restrict risky trading/business in banks	8½
Set up independent commission into banking	4
Bonuses not the problem	3
Split retail and investment banking	2
Stronger pro-competition regulation	1½
Total	139

occurred (e.g. Chang, 2008; Murphy, 2008; Stiglitz, 2008); increased regulation of the shadow banking system (e.g. Chang, 2008); the introduction of a financial transactions tax to curb market volatility (e.g. Chang, 2008); increased regulation of ratings agencies or their replacement with a publicly accountable not-for-profit body. (e.g. Chang, 2008); and restrictions on the 'revolving door' which sees politicians and regulators move onto the boards of major financial institutions (e.g. Andrianova et al., 2009; Beattie, 2008; Foley, 2008).

What is also missing is a broader series of structural critiques about the functioning of the finance sector and its role in Britain's economy. For instance, Will Hutton (1996) has argued that the City has negative impacts on the wider economy and needs to be downsized. Hutton argues that the City, by drawing in foreign investment, forces up sterling which severely damages manufacturing. He also argues that the City spurns long-term productive investment in favour of short-term financial speculation and that this unbalances the economy and creates asset bubbles and instability:

> The City of London is now too big and too risky for a country our size. It is not just that bailing it out has cost £850bn, as the National Audit Office reported, and that the recession it imposed has led to the biggest ever increase in peacetime public borrowing. For years it has crowded out exporters and manufacturers. Money has flowed into the City forcing the pound up to crazy levels, and making it hard for exporters to compete, while at the same time generating credit flows that have made property, construction and financial services the routes to quick profits … It should be no surprise that half the growth between 1997 and 2007 came from finance, construction and property. Over the same period, manufacturing shrank from 20% to 12% of our national output. (*Observer*, 6 December 2009)

Whilst this perspective was absent, the opposite view – that the sector was a major benefit to the country that shouldn't be regulated more heavily – appeared repeatedly in coverage:

Digby Jones (President of the CBI): One thing I hope we really do not get is a backlash against bankers because Britain's financial services community is enormously important, it's about 9% of GDP and employs hundreds of thousands of people. I don't want to wake up in five years' time and found we have overregulated, we've dis-incentivised innovation and Shanghai, Dubai and Mumbai think it's Christmas Day. (*Today* programme, 6 October 2008)

Ian Morley (Corazon Capital): … I think the UK economy has in recent years been significantly based on the growth of financial services. Hedge funds in the UK are the second largest location in the world after the United States and if they get driven offshore it'll be a significant loss certainly to the financial economy and as the financial economy is a significant part of the UK economy today the knock on effect to the general economy as well. (*Today* programme, 16 October 2008)

There is also a series of critiques that argue that the financial crisis is closely connected to deregulation and trade/capital market liberalisation (e.g. Glyn, 2007; Keen; 2011; Lansley, 2012; Pettifor 2006; Turner, 2008). Economists such as Keen (2011) and Pettifor (2006) have argued that the financial crisis, particularly in the UK and America, is at root a private debt crisis and the key problem is that the banks have been allowed to create vast quantities of private and corporate debt primarily to fuel asset speculation. These economists argue that the deleveraging of this debt will lead to a decade or more of economic stagnation. To counter this they propose wide-ranging financial reforms such as the re-introduction of capital controls, bank nationalisations, debt jubilees and severe restrictions on banks' abilities to create credit. Other commentators such as Turner (2008) and Lansley (2012), whilst recognising the key role of the explosion in private debt, see this as a consequence of the impact of globalisation and widening income and wealth inequalities. Stagnating wages for the majority, they argue, have meant that the UK has faced a shortfall in aggregate demand that has been deliberately papered over via the creation of credit/asset bubbles.[6] They suggest that reforms to the banking sector need to be supplemented with moves to narrow income inequalities via progressive changes to the tax system and increasing the bargaining power of organised labour. This is by no means an exhaustive list of all the ideas or proposals for preventing a repeat of the 2008 crisis. There are other issues that could have been included such as the introduction of land taxes to reduce property speculation (Harrison, 2005). However, these accounts represent a spectrum of opinion on how to prevent a repeat of the financial crisis which were completely absent from coverage on the *Today* programme.

Conclusion

This research has demonstrated that, in reporting the banking crisis, the parameters of debate on the *Today* programme are set by a narrow group of City sources, regulators, IMF spokespersons and front bench politicians. As Elliot and Atkinson (2009) have noted, these groups share an almost identical outlook on the finance industry and how it might be reformed. The central findings are therefore very much in line with previous research which has highlighted the dominance of elite financial sources in news reports (e.g. Davis, 2000; Fahy et al., 2010; Glasgow Media Group, 1976, 1980, 1982; Philo, 1995; Tracy, 2012). Why does the *Today* programme rely on such a narrow range of

financial sector sources in its coverage? Previous research and statements from senior BBC editors suggest two factors are important (Glasgow Media Group, 1976, 1980, 1982). First, elite financial sector sources are viewed as the main repositories of expert knowledge in what is a complex area. Secondly, senior politicians, regulators and representatives from the major financial institutions are seen as the most important decision makers. The *Today* programme's claim to provide authoritative news thus rests on its ability to access insider accounts from the major players in the industry. However, to limit access to such a narrow range of sources raises key issues for public broadcasters.

One problem is the requirement for balance. There is a broad spectrum of opinion which is critical of the financial services industry but is completely absent from coverage. On the day that the banks came within hours of collapse, discussion of the bank bailout during one news segment was conducted between Sir George Cox, described by a BBC journalist as 'someone with a liberal, free-market economic background, Institute of Directors and from perhaps the more right end of British politics', and Patrick Minford who was introduced as 'one of Mrs Thatcher's chief economist supporters' (*Today* programme, 13 October 2008). As is shown here this narrowness of opinion was common.

A second issue is the problem of vested interests. City sources are treated as impartial experts. However, they are partisan actors who have a stake in the maintenance of the status quo and the prevention of reform. As a *Guardian* editorial put it: 'leaving the bankers to design the reforms would be like allowing tigers to design their own cages' (28 January 2009). By treating City voices as impartial experts rather than as representatives of a sectional interest, the BBC doesn't balance their appearances with other stakeholders who have different perspectives. This means that City voices are given almost monopoly status to define the issues and how they might be resolved. The consequence of this is that far-reaching reforms are either completely absent or appear briefly only to be instantly downgraded. This can be seen in the lack of critical debate over the government's bank rescue plans. The consensus amongst the main political parties and major financial institutions was that full nationalisation of Britain's insolvent banks was off the agenda. This was the consensus on the *Today* programme with no source or journalist willing to explore the option in detail. However, some economists and commentators did see full nationalisation as a preferred option. It is also the case that a significant section of public opinion also favoured this course. A poll by Yougov (2008) on 10 October 2008 asked 'Should the Government have gone further and nationalised the banks?'; 54 per cent replied no, 23 per cent said yes and 23 per cent 'didn't know'. The lack of debate around bank nationalisation highlights the question of what role public service broadcasting should play in matters of political and economic controversy. Is its role to hold the ring between the shades of opinion at Westminster or should it critically scrutinise the actions of governments and corporations by featuring a wide spectrum of opinion? On this occasion, journalists concluded that since the government (and the other main political parties) had decided that nationalisation wasn't a policy choice they would pursue then it didn't need to be examined. However, this approach is difficult to reconcile with the BBC's commitment to hold power to account and to represent all significant strands of opinion. It is also difficult to see how the Corporation can fulfil this aspiration in relation to the operation of Britain's powerful financial sector when it draws so much of its commentary and opinion from within the industry.

The BBC's output is not monolithic and it occasionally features systemic critiques on the role and position of the financial sector in the broader UK economy. However, such accounts tend to appear relatively rarely and/or at the margins of coverage. For instance, *Hardtalk* has interviewed the Australian heterodox economist Steve Keen, but this interview was broadcast on BBC News 24, which has a relatively limited audience, at a time when very few viewers would have been watching (12:30 a.m., 25 November 2012). Similarly *Newnight* has on occasion featured economists such as Ann Pettifor (16 May 2012) and Mariana Mazzucato (11 July 2012) who have argued for major reforms to the finance industry and a role for the state in banking. However, such sources are not able to secure the routine access to the mass audience bulletins on BBC radio and television, which, as this study shows, are available to leading City sources and are crucial in influencing the formation of public knowledge and attitudes. The consequence of limiting the range of opinion in this way is that listeners are denied the information necessary to make informed political decisions. Without an awareness of the range of policy choices, citizens are preventing from engaging in a full debate about how the sector might be reformed. Public service broadcasting has a key role in the formation of public knowledge and attitudes but, as this research demonstrates, if it is to fulfil its mandate to provide a broad spectrum of opinion, there is a need to open up the parameters of economic debate in its most influential news programmes.

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Notes

1 The US Embassy cables released by Wikileaks revealed that seven months before the crisis Mervyn King, the Governor of the Bank of England, had met with senior US officials and warned that the crisis was no longer related to liquidity but to the 'systemic solvency' of the UK banking sector (*The Guardian*, 13 December 2010). King stated that the key issue was that the banks were holding large quantities of mortgage backed securities for which there was no market and this meant that their balance sheets had major holes and needed to be recapitalised.

2 'Zombie' banks are institutions which are weighed down by bad debts and therefore unable to provide credit to the wider economy. This sharp curtailment in the credit available to businesses and households can lead, as in the Japanese case, to a period of prolonged recession or stagnation.

3 For other examples of calls to nationalise the banking system see Ken Livingstone 'Stopping the rot' (*The Guardian*, 11 October 2008); John McDonnell 'Reckless with our money' (*The Guardian*, 8 October 2008); Steve Richards 'Bite the bullet and nationalise the banks' (*The Independent*, 20 January 2009); Philip Stevens 'Shoot the bankers, nationalise the banks' (*Financial Times*, 19 January 2009).

4 BBC reporters have also endorsed controversial positions in their report of the European sovereign debt crisis. Commenting on Italy's financial problem, a journalist remarked that 'The austerity bill that was passed yesterday is a pale imitation of what is needed. It must go wider it must go much, much deeper and it must start immediately because if it doesn't then the chaos that we saw in the past week will return and that has repercussions not just for Italy but the entire Eurozone' (BBC *Early Evening News*, 13 November 2011).

5 For a discussion of state banking in the 'BRIC' countries, see 'Mutually assured existence: Public and private banks have reached a modus vivendi' (*Economist*, 13 May 2010) or Von Mettenheim (2010).

6 Eddie George, the former Governor of the Bank of England, has admitted that the Bank deliberately increased consumption via an increase in personal debt in order to avert a recession in 2000 (*The Independent*, 21 March 2007).

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